

**ARIZONA CORPORATION COMMISSION
MEETING MINUTES**

DATE: April 28, 2004

TIME: 9:30 a.m.

PLACE: Arizona State Capitol Tower, 1700 W. Washington St., Phoenix, Arizona.

ATTENDANCE: See attendance list in Attachment 1.

TOPIC: DSM WORKSHOP

MATTERS DISCUSSED:

Barbara Keene of the Commission Staff welcomed everyone. Each participant made a self-introduction. The next meetings are scheduled for May 20 and June 22 in the Commission offices, Room 100.

The group discussed the draft DSM Policy:

Policy Statement

Wording was added to address reasonable energy costs for consumers.

Applicability

Wording was added to allow smaller utilities to voluntarily participate.

DSM definition

There was considerable discussion about whether DSM includes demand response programs or only energy efficiency programs. Suggestions were made to have parallel policies or to concentrate on energy efficiency now and address the other issues at a later time.

Goals and Objectives 1

The words "long term" were removed.

Goals and Objectives 2

The words "reduce peak demand" replaced "minimize the growth in."

Goals and Objectives 3

Words were changed to reflect types of programs to be undertaken.

Goals and Objectives 4

Words were added to clarify the meaning of market transformation.

Goals and Objectives 5

This item was rewritten to include the establishment of targets.

Goals and Objectives 6

This item was rewritten to reflect the need to consider the characteristics of service territories.
This item was moved up to be number 1.

New Goals and Objectives

This item was added to address adequate funding to achieve DSM targets.

Goals and Objectives 7

This item was reworded to provide clarity.

Cost Recovery

This section was moved to be before Funding Mechanisms. The words "by Staff" were deleted.

Funding Mechanisms

Minor wording changes were made.

Program Administration and Implementation

This section is to include a statement about independent administrators.

Leveraging and Cooperation

This section is to include reference to gas and electric utilities.

Other Approaches to DSM

This is a new section that will discuss other approaches to DSM, such as building codes, appliance efficiency, and shared savings legislation.

It was mentioned that HB 2703 is going well through the Legislature.

Marc Hoffman of the Consortium for Energy Efficiency will speak at the next DSM Workshop.

The next DSM Workshop will be held on May 20, 2004, at 9:30 a.m.

Barbara Keene and
Ray Williamson, Utilities Division

Attendees at the DSM Workshop
On April 28, 2004

Attendee	Organization
David Berry	Western Resource Advocates
Ward Camp	DCSI and DRAM
Rebecca Chavez	Tucson Electric Power/UNS Electric
Tom Cooper	Salt River Project
Dennis Criswell	Arizona Electric Power Cooperative
John Duncan	Arizona Public Service
Charlie Gohman	Arizona Energy Office
Tom Hines	Arizona Public Service
Marshall Hunt	RHA
Barbara Keene	Arizona Corporation Commission Staff
Steve Koepp	AHS
Chuck Miessner	Arizona Public Service
Bill Murphy	Murphy Consulting
Ernie Nedd	Residential Utility Consumers Office
Brian O'Donnell	Southwest Gas
Terry Orlick	Arizona Public Service
Amanda Ormond	Ormond Group
Lisa Rankin	Southwest Gas
Randy Sable	Southwest Gas
Jeff Schlegel	SWEEP
Vivian Scott	Southwest Gas
Kathy Senseman	Southwest Gas
Chuck Skidmore	City of Scottsdale
Karen Smith	Salt River Project
Jana Van Ness	Arizona Public Service
Ray Williamson	Arizona Corporation Commission Staff
Martha Wright	Southwest Gas